

Adi Singh Khalsa

June 30, 2006

Link: <https://secure.commentworks.com/ftc-bizopNPR/>

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)
Re: Business Opportunity Rule, R511993
600 Pennsylvania Avenue, NW
Washington, DC 20580
RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I believe that in its present form, Rule R511993 could prevent me from continuing as an Independent Sunrider Distributor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," but some of the sections in the proposed rule will make it very difficult if not impossible for me to sell Sunrider® products.

Sunrider's Starter Pack costs only \$140, and is not a mandatory purchase in order to become an Independent Sunrider Distributor. People buy TVs, cars, and other items that cost much more than that and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the plan. One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll new Distributors. I also think this seven-day waiting period is unnecessary because Sunrider already has a generous 60-day return policy for existing Distributors that is applicable to all products, including the Sunrider® Starter Pack. Sunrider also has a 90% buyback policy for former Distributors applicable to all products purchased within the last twelve months. Another problem with the seven-day waiting period is the administrative burden of keeping very detailed records when I first speak to someone about Sunrider, and then having to send numerous reports to Sunrider headquarters.

Today, anyone or any company can be sued for almost anything. The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. It does not make sense to me that I would have to disclose these lawsuits unless Sunrider is found guilty. Otherwise, Sunrider and I are put at an unfair advantage even though Sunrider has done **nothing** wrong.

Finally, in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. The proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. In addition, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Sunrider headquarters and then wait for the list. I also think the following sentence required by

the proposed rule will prevent many people from wanting to sign up as a salesperson: “If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers.” People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.

I joined Sunrider as an independent distributor in 2000 and have been a distributor for more than 5 years. Originally, I became a Distributor of Sunrider’s products because I like them and wanted to earn some additional money. Now my family depends on this extra income to supplement our budget.

In conclusion, I believe this proposed new rule has many unintended consequences and that there are less burdensome alternatives available in achieving its goals.

Thank you for your time in considering my comments.

Sincerely,

Adi Singh Khalsa
Sunrider Independent Distributor